

§ 3509.40 What are fractional interest prospecting permits and leases?

They are prospecting permits and leases for parcels where the United States holds less than 100 per cent of the mineral interest of the parcel. Fractional interest leases allow development of the shared mineral interests.

§ 3509.41 For what lands may BLM issue fractional interest prospecting permits and leases?

We issue them for lands where the United States owns less than 100 per cent of the mineral interest and where we have determined it is in the public interest to grant the permit or lease. We will only grant fractional interest permits or leases with the consent of the surface managing agency. If we believe a mineral deposit exists but do not know, we may issue a noncompetitive fractional interest lease.

§ 3509.45 Who may apply for a fractional interest prospecting permit or lease?

Only persons who have an interest in the non-Federal share of the same minerals may apply for a fractional interest lease of the minerals. Applicants must also meet the qualification standards in subpart 3502 of this part.

§ 3509.46 How do I apply for a fractional interest prospecting permit or lease?

No specific form is required. Submit the application to the BLM office with jurisdiction over the lands. BLM will charge you a processing fee on a case-by-case basis as described in § 3000.11 of this chapter.

[64 FR 53536, Oct. 1, 1999, as amended at 70 FR 58878, Oct. 7, 2005]

§ 3509.47 What information must I include in my application for a fractional interest prospecting permit or lease?

Your application must include all the same information we require when you apply for a regular competitive Federal lease. See subpart 3508 of this part. In addition, you must include the following:

- (a) A land description;

- (b) Your certification that you meet the qualifications requirements (see subpart 3502 of this part);

- (c) Evidence of your title or the extent of your rights in the mineral deposits. Submit either a certified abstract of title, a title certificate or the instrument establishing your rights; and

- (d) The names of the other owners, if any, of the mineral interests. If you own the operating rights to the mineral by means of a contract with the mineral owner, you also need to submit three copies of the mineral contract or lease.

§ 3509.48 What will BLM do after it receives my application for a fractional interest lease?

- (a) After BLM receives your application for a fractional interest lease, we will notify all other interest owners that they have 90 days to file applications for the same mineral interest.

- (b) If any other interest owners timely apply, we will hold a competitive lease sale among the qualified applicants. BLM will establish standards for the competitive sale similar to those under subpart 3508 of this part, and provide notice to all of the applicants.

- (c) If no other qualified owners timely apply, BLM may issue a fractional interest lease to you. BLM will establish the amount of the bonus bid you must pay through appraisal.

§ 3509.49 What terms and conditions apply to my fractional interest prospecting permit or lease?

BLM will apply the commodity-specific terms and conditions found in this part to fractional interest prospecting permits and leases.

§ 3509.50 Under what conditions would BLM reject my application for a fractional interest prospecting permit or lease?

BLM will reject your fractional interest application if:

- (a) You do not meet the qualifications in § 3509.45 of this part;

- (b) You would have an interest in the total Federal and non-Federal mineral estate of less than 50% once the fractional interest prospecting permit or lease is issued, unless we determine it would be in the best interests of the

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government to issue the permit or lease; or

(c) We determine that it is not in the public interest to grant the lease.

§ 3509.51 May I withdraw my application for a fractional interest prospecting permit or lease?

Yes, if you file the withdrawal before the lease is signed. BLM will retain any fees already paid for processing the application.

[64 FR 53536, Oct. 1, 1999, as amended at 70 FR 58878, Oct. 7, 2005]

Subpart 3510—Noncompetitive Leasing: Fringe Acreage Leases and Lease Modifications

§ 3510.11 If I already have a Federal lease, or the mineral rights on adjacent private lands, may I lease adjoining Federal lands that contain the same deposits without competitive bidding?

Yes. If the adjoining Federal lands are available for leasing, you may lease them noncompetitively, even if they are known to contain a deposit of the mineral you are interested in leasing. We will either issue a new lease for these lands (fringe acreage) or add the lands to your existing Federal lease (modification).

§ 3510.12 What must I do to obtain a lease modification or fringe acreage lease?

(a) File three copies of your application with the BLM office that administers the lands. No specific application form is required.

(b) Include the filing fee for lease modification or fringe acreage lease found in the fee schedule in section 3000.12 of this chapter. If you want to modify an existing lease, BLM will base the rental payment on the rate in effect for the lease being modified.

(c) Your application must:

(1) Show the serial number of the lease if the lands adjoin an existing Federal lease;

(2) Contain a complete and accurate description of the lands desired;

(3) Show that the mineral deposit specified in your application extends

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from your adjoining lease or from private lands you own or control; and

(4) Include proof that you own or control the mineral deposit in the adjoining lands if they are not under a Federal lease.

[64 FR 53536, Oct. 1, 1999, as amended at 72 FR 50888, Sept. 5, 2007]

§ 3510.15 What will BLM do with my application?

We will issue or modify a lease under this subpart only if we determine that:

(a) The lands are contiguous to your existing Federal lease or to non-Federal lands you own or control;

(b) The new fringe lease does not exceed the maximum size allowed in a lease, as specified in § 3503.37 of this part;

(c) The acreage of the modified lease, including additional lands, is not in excess of the maximum size allowed for a lease, as specified in § 3503.37 of this part;

(d) The mineral deposit is not in an area of competitive interest to holders of other active mining units in the area;

(e) The lands for which you applied lack sufficient reserves of the mineral resource to warrant independent development;

(f) Leasing the lands will conserve natural resources and will provide for economical and efficient recovery as part of a mining unit; and

(g) You meet the qualification requirements for holding a lease described in subpart 3502 of this title and the new or modified lease will not cause you to exceed the acreage limitations described in § 3503.37 of this part.

§ 3510.20 Do I have to pay a fee to modify my existing lease or obtain a fringe acreage lease?

Yes. Before BLM issues a new fringe acreage lease or modifies your existing lease, you must pay a bonus in an amount we will determine based on an appraisal or other appropriate means. The bonus cannot be less than \$1 per acre or fraction of an acre.